

Pioneering Risk Management Awareness

The farther west pioneers traveled, the more prepared they became for unforeseen events. Spokane's Regional Service Office is helping producers understand the risk management field where preparedness makes the difference between succeeding and failing.

Perhaps **Bill Flory**, immediate past President of the National Association of Wheat Growers, said it best during the 1998 Pacific Northwest and Alaska Risk Management Education Conference held in Spokane: "An uncertain future that promises change is the final frontier.

We may never conquer the future, but we can see ways to better manage both change and the uncertainty."

To meet the challenges of this frontier, the Spokane office is sponsoring local, state, regional,

"We may never conquer the future, but we can see ways to better manage both the change and the uncertainty." – Bill Flory

and national meetings and workshops that focus on the five primary areas of risk for farmers in today's environment: production, marketing, financial, legal, and

human resource. The sessions study the impact of risk on a grower's operation, what tools are available to manage those risks, and how these tools work.

Spokane has introduced its Pacific Northwest RME project—*Understanding Agriculture's Risk Activities*—in Idaho, Oregon, and Washington. With public and private partners, the project is working toward delivering a comprehensive educational risk management program.

Welcome

It's our first! Newsletter, that is. *Risk E-News* is primarily Risk Education News. It will highlight some of the people, partners, and activities of USDA's Risk Management Education (RME) initiative. RME partners are dedicated to helping U.S. farmers and ranchers with the information and training they need to effectively manage agricultural risk in an increasingly complex global economy.

But our vision for *Risk E-News* is much greater. It will highlight key Internet resources on the subject of agricultural risk management. In this way, we hope it becomes Risk Electronic News to those with an interest in learning the latest risk management tools and strategies.

Feel free to distribute *Risk E-News* to your friends and associates. And, we'd also like to hear your comments and story ideas. Please send them to Managing Editor, Okarsamaa Brooks (OL_Brooks@wdc.fsa.usda.gov).

The Risk Management Education initiative is a federal partnership of the following organizations:

- USDA/Risk Management Agency
- USDA Cooperative State Research, Education, and Extension Service
- USDA National Office of Outreach
- Commodity Futures Trading Commission



—Craig Witt, Director
Risk Management Education

1999 FFA Contest

Winners Visit Washington

RMA proudly announces 1999's FFA essay contest winners. One of the winners, **Adam Holland**, President of the Oak Grove FFA Chapter, Oak Grove, Louisiana, wrote, "I have always dreamed of going to Washington, D.C. and, thanks to the FFA and Risk Management, my dream came true. The trip was much more than I had ever imagined it would be."

Jointly sponsored by the National FFA Organization and the National Council for Agricultural Education, the topic for this year's contest was *Risk Management Strategies for Your Supervised Agricultural Experience*.

The other national winners who received an all-expense paid trip to Washington, D.C.: **Melissa Heseman**, Owensville FFA Chapter, Owensville, Missouri; **Emily Folin**, Crater FFA Chapter, Central Point, Oregon; **Cathy Hendrick**, Central Hardin FFA Chapter, Cecilia, Kentucky; **Zachary Hall**, Berthold FFA Chapter, Berthold,

North Dakota; **David Schroeder**, Wisner Pilger FFA Chapter, Wisner, Nebraska; **Darbie McMahon**, Blue Hill FFA Chapter, Blue Hill, Nebraska; **Bill Koch IV**, Edgewood/BCJVS FFA Chapter, Trenton, Ohio; **Amanda Levzow**, Pardeeville FFA Chapter, Pardee-ville, Wisconsin; and **Megan Robnett**, Avenal FFA Chapter, Avenal, California.

OSU Researchers Design Dairy Study

Dairy farmers will soon benefit from an Ohio State University study that helps determine the best way for dairy farmers to manage risk on their farms. The study's leaders will also design risk management education seminars for producers, their cooperatives, and others in the milk handling and processing sectors.

The Alliance

Funded by a grant from USDA's Risk Management Agency, supported by extension personnel from the public land-grant universities and public and private partners, it's called the National Program for Integrated Dairy Risk Management Education & Research (I-DRMER).

The study will make results-oriented risk management curricula and tools available to all sectors of the dairy industry. To help the process along, researchers are planning a centralized organizational structure, which will serve the needs of a diverse national agricultural sector and also regional or local needs in risk management education and research.

The Plan

I-DRMER will focus on three program areas: designing an Integrated Dairy Risk Management curriculum; developing printed resources and computer software; and conducting workshops. These programs will define the risks that milk producers face and then offer

advice on which tools can manage those risks.

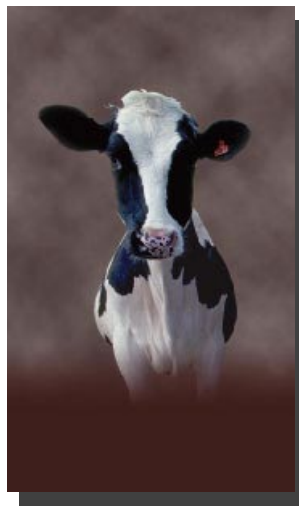
The Workshops

The I-DRMER managers are currently planning two dairy risk management workshops. The first is planned for early June at Cornell University, Ithaca, New York. The second workshop, sponsored by the University of Wisconsin, will be held on June 23-24 in Madison, Wisconsin. For more information on these workshops contact **Cameron Thraen**, The Ohio State University (614) 292-2702, **Bob Cropp**, University of Wisconsin (608) 262-9483, or **Mark Stephenson**, Cornell University (607) 255-0324. Workshops scheduled for the fall will be in California, Washington, and Idaho.

Want online information about workshops and other program activities? See "Resources" later in this newsletter. Or see the website at:

www.agecon.ag.ohio-state.edu/dairyRME

—Cameron S. Thraen,
Associate Professor, Agricultural Economics,
The Ohio State University



Conference Updates

Auburn, SC State, Clemson Energize Southeast Conference

Due in large part to the efforts of **James Novak**, **Fred Broughton**, and **Charles Curtis, Jr.**, 130 agri-

cultural professionals—nearly a third of them minority farmers—participated in a two-day Risk Management Conference in Charleston in February.

Conference Highlights

Keynote speaker **John Long**, producer and past president of the American Soybean Association, emphasized the importance of managing risk in this Freedom to Farm era. Another featured speaker, **Richard Horn**, Credit Manager with Pee Dee Farm Credit of the Southeastern Farm Credit System, pointed out what lenders look for when approving loans.

Fred Woods, retired National Program Leader for Public Policy, USDA, Cooperative State Research, Education, and Extension Service, analyzed what national and international agricultural policies mean for the Southeastern farmer.

For additional information, please visit: www.agrisk.umn.edu

PA Farm Bureau Pulls Them In for Tri-State

On May 5 and 6, 1999, the Pennsylvania Farm Bureau pulled out all stops in helping organize the *Tri-State Risk Management Education Conference* at Pocono Manor, Pennsylvania. And the Bureau, which represents over 27,000 rural farms and families in Pennsylvania, helped pull in a number of its members to bring attendance at the Conference to a whopping 150.

Agricultural producers and other industry leaders from New York, Pennsylvania, and New Jersey joined staff from the Commodity Futures Trading Commission and USDA to discuss the latest strategies for promoting risk management education for the agriculture industry in the Northeast.

Keynote speaker **Terry Barr** of the National Council of Farmers' Cooperatives emphasized how private industry in cooperation with producers must assume the respon-

sibility for risk management, pointing out how Government subsidies are decreasing as trade globalization increases.

For additional information, please visit: www.agrisk.umn.edu

Feedback

Kudos From the Northwest

"The Agency, through the Pacific Northwest RME Project, developed a comprehensive and integrated educational program that enables producers and others to identify, analyze, and measure the risk variables affecting agricultural operations...

"...The Agency has also taken a very aggressive role in exploring innovative crop insurance programs and improving existing programs. Their ultimate goal is to have a viable crop insurance program available to all agricultural producers.

"As an agricultural lender, I have found these educational tools and improvements to the crop insurance programs very helpful. I have incorporated many of the training modules into my own activities with customers and use the new crop insurance programs to review opportunities to reduce each customer's production and income risks."

—Steve Koehler,
*Regional Vice President,
Northwest Farm
Credit Services*

Workshops Spark Interest of Oregon Wheat Farmers

"Risk Management Education is in demand in Oregon. With inflation-adjusted wheat prices at or below the levels posted during the Great Depression, producers are desperate for information on managing risk in their operations.

"A number of very good farmers are in danger of losing financing this year or next; and the cost-price squeeze is tightening. Our association is nearly finished with a statewide series of successful RME workshops funded by the regional project, focusing on identifying sources of financial risk and appropriate lease rates for this market environment. We've had many requests for follow-up, and hope to provide it once the work products from the current project are complete."

—Daren Coppock, *Executive
Vice President, Oregon Wheat Growers
League, Pendleton, Oregon*

Producer Credits RME Program

"I have been attending continuing education credit seminars, short courses and conferences for 24 years, and rarely have I seen the quality of the presentations or as much useful information presented in such a short time. I have no doubt that this knowledge will have a positive impact on my farming operation."

—Lyle Honn, *wheat farmer,
Endicott, Washington*

Resources

RME Web Site

www.usda.gov/rma/rme

RMA Web Site

www.act.fcic.usda.gov

Commodity Futures Trading Commission

www.cftc.gov

National Agricultural Risk Education Library

www.agrisk.umn.edu

USDA Web Site

www.usda.gov

⇒ For copies of risk management materials, contact an RMA Regional Service Office visit: www.agrisk.umn.edu

Then, click on "Risk Education Contacts."

Risk ..E-News..

RME Director

Craig Witt

Craig_Witt@wdc.fsa.usda.gov

Managing Editor

Okarsamaa L. Brooks

OL_Brooks@wdc.fsa.usda.gov

Associate Editor

Mary Rekas

Mary_Rekas@wdc.fsa.usda.gov

Creative Director

Janet Osorio

Janet_Osorio@wdc.fsa.usda.gov

To contribute, please
write us at:

USDA/RMA/RME/Stop 0803
1400 Independence Ave, SW
Washington, DC 20250-0803



The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.